



Arizona State Senate **Issue Brief**

September 26, 2006

Note to Reader:

The Senate Research Staff provides nonpartisan, objective legislative research, policy analysis and related assistance to the members of the Arizona State Senate. The *Research Briefs* series, which includes the *Issue Brief*, *Background Brief* and *Issue Paper*, is intended to introduce a reader to various legislatively related issues and provide useful resources to assist the reader in learning more on a given topic. Because of frequent legislative and executive activity, topics may undergo frequent changes. Additionally, nothing in the *Brief* should be used to draw conclusions on the legality of an issue.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

FEDERAL GUIDELINES

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (PL 104-193) reformed the welfare system in the United States. PRWORA combined federal funding for Aid to Families with Dependent Children (AFDC), Job Opportunities and Basic Skills (JOBS) and Emergency Assistance programs into a single block grant titled Temporary Assistance for Needy Families (TANF, pronounced "taniff"). Elements of PRWORA include a focus on family self-sufficiency through employment, flexibility for states to design their own programs and replacement of open-ended entitlements with capped block grants subject to state legislative appropriations.

States may use TANF funds in any manner "reasonably calculated to accomplish the purposes of TANF," which are to: 1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; 2) end the dependence of needy parents on government benefits by promoting job preparation, work and marriage; 3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and 4) encourage the formation and maintenance of two-parent families.

Under TANF expenditure requirements, states must require work participation, set time limits for assistance, improve child support enforcement, encourage parental responsibility and collect data on performance outcomes. States may receive financial bonuses for success in achieving goals, and financial penalties are imposed if requirements are not met. States are also required to maintain a specified level of funding, known as "maintenance of effort."

The TANF block grant and expenditure requirements were authorized and funded for federal fiscal years 1998-2002, with reauthorization anticipated in five-year increments. From 2002 to 2006, TANF operated under a series of continuing resolutions and extensions. In February 2006, TANF was reauthorized for five years under the federal Deficit Reduction Act of 2005.

TANF IN ARIZONA

Arizona receives in excess of \$200 million in TANF funds annually and uses the funds for multiple programs, including cash assistance, programs for hunger and homelessness, domestic violence prevention, adoption services, foster care, child protective services programs, child care assistance and employment services.

TANF Cash Assistance

The largest expenditure of TANF monies in Arizona is for the cash assistance program, which provides monthly financial assistance to families and is commonly referred to as “welfare” although it is one of many welfare programs. The Arizona Department of Economic Security (DES) administers TANF cash assistance. To be eligible for cash assistance, a family’s income must be less than 36 percent of the 1992 federal poverty level. DES includes all income from every source available to the family, except income specifically exempt in statute or DES rule.

Cash assistance may be given to needy children who have been deprived of parental support and whose caregivers, which may include one biological parent, are not able to provide adequate care for the child without public assistance. To be eligible for cash assistance, a child must be an Arizona resident, and the child’s parents or guardians must accept available employment and cooperate with DES child support enforcement efforts. Families become ineligible for cash assistance after any adult in the family has received benefits for 60 months over his or her lifetime, except in cases of hardship. Two parent families cannot receive cash assistance for longer than six months at a time.

As a condition of eligibility, cash assistance recipients must also engage in work activities, including employment, job training, up to six weeks of job search, and vocational or high school education. Individuals exempt from participating in work activities include an adult single parent or caregiver caring for a child under the age of 12 months, an unmarried minor caring for a child under the age of 12 weeks, disabled persons or caregivers of disabled

persons, and dependent children. If both parents are able to work, two parent families are only eligible for cash assistance if both parents participate in work activities, unless the family has emergency needs or short-term needs where DES determines additional cash assistance will lead to self-sufficiency.

Parents or caregivers receiving cash assistance on behalf of a dependent child between 6 and 16 years old must also ensure that the child is enrolled in and attending school, and that the child is immunized according to the schedule adopted by the Arizona Department of Health Services. A series of graduated sanctions are imposed on recipients who fail to comply with child support enforcement, work activities, school enrollment and attendance, or child immunization requirements.

Arizona statute deems any child born during the following three periods of time ineligible for cash assistance benefits: 1) when the child’s parent or other relative caregiver is receiving welfare benefits; 2) during a voluntary interruption in the caregiver’s welfare benefits of less than five years; and 3) while the caregiver is temporarily ineligible for benefits due to noncompliance with an eligibility requirement. When a child is born during one of these periods, the caregiver is prohibited from receiving the increase in cash assistance for that child, and the child is prohibited from receiving cash assistance benefits permanently. This is known as the “benefit cap” or “kid cap.”

ADDITIONAL RESOURCES

- Arizona Department of Economic Security
www.azdes.gov/
- TANF Program Annual Report to Congress
www.acf.hhs.gov/programs/ofa/
- TANF Statutes: Arizona Revised Statutes, Title 46, Chapter 2, Article 5
- TANF Rules: Arizona Administrative Code, Title 6, Chapter 12
www.azsos.gov/public_services/Title_06/6-12.pdf
- “Department of Economic Security-Welfare Programs,” Office of the Auditor General, April 2004, Report No. 04-02
- Annual Appropriations Report, Joint Legislative Budget Committee
www.azleg.gov/jlbc.htm